



SENATE JOINT RESOLUTION No. 16

DIGEST OF INTRODUCED RESOLUTION

Citations Affected: Articles 8, 10, and 13 of the Constitution of the State of Indiana.

Synopsis: Elimination of property taxes. Adds Article 10, Section 10.5 to the Constitution to prohibit the imposition of ad valorem property taxes by the general assembly or a political or municipal corporation. Strikes Article 10, Section 1 (authorization to impose property taxes) and Article 13, Section 1 (municipal debt limitation based on the taxable value of property). Makes a conforming amendment to Article 8, Section 2. Establishes the effective date, and requires the general assembly to provide by law for a political or municipal corporation to pay after the effective year from any source of revenue, including property taxes, the obligations of the corporation to which the corporation pledged property tax revenue. This proposed amendment has not been previously agreed to by a general assembly.

Effective: This proposed amendment must be agreed to by two consecutive general assemblies and ratified by a majority of the state's voters voting on the question to be effective.

Weatherwax

January 8, 2008, read first time and referred to Committee on Tax and Fiscal Policy.



Introduced

Second Regular Session 115th General Assembly (2008)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2007 Regular Session of the General Assembly.

SENATE JOINT RESOLUTION No. 16

A JOINT RESOLUTION proposing an amendment to Articles 8, 10, and 13 of the Constitution of the State of Indiana concerning taxation.

Be it resolved by the General Assembly of the State of Indiana:

- 1 SECTION 1. The following amendment to the Constitution of the
- 2 State of Indiana is proposed and agreed to by this, the One Hundred
- 3 Fifteenth General Assembly of the State of Indiana, and is referred to
- 4 the next General Assembly for reconsideration and agreement.
- 5 SECTION 2. ARTICLE 8, SECTION 2 OF THE CONSTITUTION
- 6 OF THE STATE OF INDIANA IS AMENDED TO READ AS
- 7 FOLLOWS: Section 2. The Common School fund shall consist of the
- 8 Congressional Township fund, and the lands belonging thereto;
- 9 The Surplus Revenue fund;
- 10 The Saline fund and the lands belonging thereto;
- 11 The Bank Tax fund, and the fund arising from the one hundred and
- 12 fourteenth section of the charter of the State Bank of Indiana;
- 13 The fund to be derived from the sale of County Seminaries, and the

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1 moneys and property heretofore held for such Seminaries; from the
 2 fines assessed for breaches of the penal laws of the State; and from all
 3 forfeitures which may accrue;

4 All lands and other estate which shall escheat to the State, for want
 5 of heirs or kindred entitled to the inheritance;

6 All lands that have been, or may hereafter be, granted to the State,
 7 where no special purpose is expressed in the grant, and the proceeds of
 8 the sales thereof; including the proceeds of the sales of the Swamp
 9 Lands, granted to the State of Indiana by the act of Congress of the
 10 twenty eighth of September, eighteen hundred and fifty, after deducting
 11 the expense of selecting and draining the same.

12 ~~Taxes on the property of corporations, that may be assessed by the~~
 13 ~~General Assembly for common school purposes.~~

14 SECTION 3. ARTICLE 10 OF THE CONSTITUTION OF THE
 15 STATE OF INDIANA IS AMENDED BY ADDING A NEW
 16 SECTION TO READ AS FOLLOWS: **Section 1.5. Neither the**
 17 **General Assembly nor a political or municipal corporation in the**
 18 **State may provide by law for the imposition of ad valorem**
 19 **property taxes.**

20 SECTION 4. THE CONSTITUTION OF THE STATE OF
 21 INDIANA IS AMENDED BY STRIKING OUT ARTICLE 10,
 22 SECTION 1.

23 SECTION 5. THE CONSTITUTION OF THE STATE OF
 24 INDIANA IS AMENDED BY STRIKING OUT ARTICLE 13,
 25 SECTION 1.

26 SECTION 6. THE CONSTITUTION OF THE STATE OF
 27 INDIANA IS AMENDED BY ADDING THE FOLLOWING
 28 SCHEDULE:

29 SCHEDULE

30 (a) As used in this SCHEDULE, "effective year" means the
 31 calendar year that immediately follows the calendar year in which
 32 amendments to the Constitution of the State of Indiana contained
 33 in this joint resolution are approved in a general election under
 34 Article 16, Section 1 of the Constitution of the State of Indiana.

35 (b) The amendments to the Constitution of the State of Indiana
 36 contained in this joint resolution do not prohibit the collection of
 37 ad valorem property taxes as provided in this subsection. To avoid
 38 constitutionally prohibited impairment of the obligation of
 39 contracts, the General Assembly shall provide by law for a political
 40 or municipal corporation in the State to pay after the effective year
 41 from any source of revenue, including ad valorem property tax
 42 revenue, obligations of the corporation to which the corporation

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1 pledged ad valorem property tax revenue in or before the effective
2 year.

3 (c) Subject to subsection (d), the amendments referred to in
4 subsection (b) apply only to ad valorem property taxes imposed for
5 an assessment date (as defined in IC 6-1.1-1-2) after January 15 of
6 the effective year.

7 (d) Subject to subsection (e), the amendments referred to in
8 subsection (b) do not prohibit the collection of ad valorem property
9 taxes:

10 (1) imposed for an assessment date (as defined in IC 6-1.1-1-2)
11 in or before the effective year; and

12 (2) first due and payable in or before the effective year.

13 (e) Collections of ad valorem property taxes referred to in
14 subsection (d) may occur after the effective year.

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